

## SENATE BILL No. 518

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### DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-1.1-12-9.

**Synopsis:** Eligibility for elderly property tax deduction. Increases from \$144,000 to \$175,000 the assessed valuation limitation for the residential real property tax deduction for certain individuals at least 65 years of age.

**Effective:** January 1, 2007 (retroactive).

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January 23, 2007, read first time and referred to Committee on Tax and Fiscal Policy.

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Introduced

First Regular Session 115th General Assembly (2007)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2006 Regular Session of the General Assembly.

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## SENATE BILL No. 518

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A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

*Be it enacted by the General Assembly of the State of Indiana:*

- 1 SECTION 1. IC 6-1.1-12-9 IS AMENDED TO READ AS  
2 FOLLOWS [EFFECTIVE JANUARY 1, 2007 (RETROACTIVE)]:  
3 Sec. 9. (a) An individual may obtain a deduction from the assessed  
4 value of the individual's real property, or mobile home or manufactured  
5 home which is not assessed as real property, if:  
6 (1) the individual is at least sixty-five (65) years of age on or  
7 before December 31 of the calendar year preceding the year in  
8 which the deduction is claimed;  
9 (2) the combined adjusted gross income (as defined in Section 62  
10 of the Internal Revenue Code) of:  
11 (A) the individual and the individual's spouse; or  
12 (B) the individual and all other individuals with whom:  
13 (i) the individual shares ownership; or  
14 (ii) the individual is purchasing the property under a  
15 contract;  
16 as joint tenants or tenants in common;  
17 for the calendar year preceding the year in which the deduction is



1 claimed did not exceed twenty-five thousand dollars (\$25,000);  
 2 (3) the individual has owned the real property, mobile home, or  
 3 manufactured home for at least one (1) year before claiming the  
 4 deduction; or the individual has been buying the real property,  
 5 mobile home, or manufactured home under a contract that  
 6 provides that the individual is to pay the property taxes on the real  
 7 property, mobile home, or manufactured home for at least one (1)  
 8 year before claiming the deduction, and the contract or a  
 9 memorandum of the contract is recorded in the county recorder's  
 10 office;

11 (4) the individual and any individuals covered by subdivision  
 12 (2)(B) reside on the real property, mobile home, or manufactured  
 13 home;

14 (5) the assessed value of the real property, mobile home, or  
 15 manufactured home does not exceed one hundred ~~forty-four~~  
 16 **seventy-five** thousand dollars (~~\$144,000~~); (**\$175,000**); and

17 (6) the individual receives no other property tax deduction for the  
 18 year in which the deduction is claimed, except the deductions  
 19 provided by sections 1, 37, and 38 of this chapter.

20 (b) Except as provided in subsection (h), in the case of real property,  
 21 an individual's deduction under this section equals the lesser of:

- 22 (1) one-half (1/2) of the assessed value of the real property; or
- 23 (2) twelve thousand four hundred eighty dollars (\$12,480).

24 (c) Except as provided in subsection (h) and section 40.5 of this  
 25 chapter, in the case of a mobile home that is not assessed as real  
 26 property or a manufactured home which is not assessed as real  
 27 property, an individual's deduction under this section equals the lesser  
 28 of:

- 29 (1) one-half (1/2) of the assessed value of the mobile home or
- 30 manufactured home; or
- 31 (2) twelve thousand four hundred eighty dollars (\$12,480).

32 (d) An individual may not be denied the deduction provided under  
 33 this section because the individual is absent from the real property,  
 34 mobile home, or manufactured home while in a nursing home or  
 35 hospital.

36 (e) For purposes of this section, if real property, a mobile home, or  
 37 a manufactured home is owned by:

- 38 (1) tenants by the entirety;
- 39 (2) joint tenants; or
- 40 (3) tenants in common;

41 only one (1) deduction may be allowed. However, the age requirement  
 42 is satisfied if any one (1) of the tenants is at least sixty-five (65) years

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1 of age.

2 (f) A surviving spouse is entitled to the deduction provided by this  
3 section if:

4 (1) the surviving spouse is at least sixty (60) years of age on or  
5 before December 31 of the calendar year preceding the year in  
6 which the deduction is claimed;

7 (2) the surviving spouse's deceased husband or wife was at least  
8 sixty-five (65) years of age at the time of a death;

9 (3) the surviving spouse has not remarried; and

10 (4) the surviving spouse satisfies the requirements prescribed in  
11 subsection (a)(2) through (a)(6).

12 (g) An individual who has sold real property to another person  
13 under a contract that provides that the contract buyer is to pay the  
14 property taxes on the real property may not claim the deduction  
15 provided under this section against that real property.

16 (h) In the case of tenants covered by subsection (a)(2)(B), if all of  
17 the tenants are not at least sixty-five (65) years of age, the deduction  
18 allowed under this section shall be reduced by an amount equal to the  
19 deduction multiplied by a fraction. The numerator of the fraction is the  
20 number of tenants who are not at least sixty-five (65) years of age, and  
21 the denominator is the total number of tenants.

22 SECTION 2. [EFFECTIVE JANUARY 1, 2007 (RETROACTIVE)]  
23 **IC 6-1.1-12-9, as amended by this act, applies only to property**  
24 **taxes first due and payable after 2007.**

25 SECTION 3. **An emergency is declared for this act.**

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